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FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF WESTVEGO

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

WESTVEGO, LOUISIANA

Release Date ~~JAN 7 3 1999~~

JUNE 30, 1998

TOM E. BREWSTER
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 2900
PENSACOLA, FLORIDA 32513



HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA

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With Supplemental Information Schedules*

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TRANSMITTAL LETTER

**GENERAL PURPOSE FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

December 4, 1998

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the general purpose financial statements, with supplemental information schedules, for the Housing Authority of the City of Westwego as of and for the year ended June 30, 1998. The report includes all funds under the control and authority of the housing authority. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


Executive Director

Enclosure

INFORMATION FURNISHED BY THE AUDITOR

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
5245 JONES CREEK ROAD #2305
BATON ROUGE, LOUISIANA 70817-1507**

Board of Commissioners
Housing Authority of the
City of Westwego
P. O. Box 248
Westwego, Louisiana 70094

U. S. Department of Housing
And Urban Development
Area Field Office
Hale Boggs Federal Building
501 Magazine Street, 9th Floor
New Orleans, Louisiana 70130

INDEPENDENT AUDITOR'S REPORT

I have audited the financial statements listed in the Table of Contents of the Housing Authority of the City of Westwego, Louisiana, as of June 30, 1998. These general purpose financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Westwego, Louisiana, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 4, 1998 on my consideration of the Housing Authority's internal control structure and a report dated December 4, 1998 on its compliance with laws and regulations.


CERTIFIED PUBLIC ACCOUNTANT
December 4, 1998

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
City of Westwego
P. O. Box 248
Westwego, Louisiana 70094

**REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PER-
FORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

I have audited the financial statements of the Westwego Housing Authority, as of and for the year ended June 30, 1998, and have issued my report thereon dated December 4, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Westwego Housing Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, and the *PIH Compliance Supplement 96-32 and 97-30*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Westwego Housing Authority's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being

audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Tom E. Brewster". The signature is written in a cursive style with a large, stylized initial "T".

CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 4, 1998

**BREWSTER & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2900
PENSACOLA, FLORIDA 32513**

Board of Commissioners
Housing Authority of the
City of Westwego
P. O. Box 248
Westwego, Louisiana 70094

REPORT ON COMPLIANCE WITH REQUIRE-
MENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Compliance

I have audited the compliance of the Westwego Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *PIH Compliance Supplement 96-32 and 97-30* that are applicable to each of its major federal programs for the year ended June 30, 1998. The Westwego Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Westwego Housing Authority's management. My responsibility is to express an opinion on the Westwego Housing Authority's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards," the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States", and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis, evidence about the Westwego Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Westwego Housing Authority's compliance with those requirements.

In my opinion, the Westwego Housing Authority complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

The management of the Westwego Housing Authority is responsible for establishing and

maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Westwego Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be a material weaknesses.

This report is intended for the information of the management, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



CERTIFIED PUBLIC ACCOUNTANT
Pensacola, Florida
December 4, 1998

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 1998

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified that are not considered to be material weakness(es)? Yes None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?

Yes No

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 1998

Identification of major programs.

CFDA Number(s)

Name of Federal Program or Cluster

14,850

Conventional Public Housing Program

14,859

Comprehensive Grant Program

Dollar threshold used to distinguish
between type A and type B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

X Yes

 No

Section II - Financial Statement Findings

The prior year audit for the year ended June 30, 1997 disclosed no financial statement findings or management letter comments.

The current audit, for the year ended June 30, 1998, disclosed no financial statement findings and/or noncompliance with HUD rules and regulations, contracts and equivalents.

Section III - Federal Award Findings and Questioned Costs

The current audit for the year ended June 30, 1998, disclosed no Federal Awards Findings, Questioned Costs, and/or noncompliance with HUD rules and regulations, contracts and equivalents.

INFORMATION FURNISHED BY THE HOUSING AUTHORITY

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
COMBINED BALANCE SHEET AND FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

Schedule A

	Governmental Fund Types				Fiduciary Fund Types	Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects		Agency and Expendable Trust	General Fixed Assets	General Long-Term Debt	1998	1997
Assets and Other Debits										
CURRENT ASSETS:										
Cash	\$129,730.66				\$20,941.00				\$150,671.66	\$256,287.86
Tenant Accounts Receivable	4,965.83								4,965.83	5,910.25
Other Accounts Receivable	0.00								0.00	
Total Current Assets	134,696.49	0.00	0.00	0.00	20,941.00	0.00	0.00	0.00	155,637.49	262,198.11
INVESTMENTS:										
General Fund	232,922.05								232,922.05	176,709.01
Total Investments	232,922.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	232,922.05	176,709.01
PREPAID EXPENSES:										
Prepaid Taxes	43,037.20								43,037.20	44,054.82
Prepaid Insurance	2,000.00								2,000.00	2,000.00
Prepaid Interest	45,037.20								45,037.20	46,054.82
Total Prepaid Expenses	90,074.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90,074.40	92,110.64
DEBT SERVICE FUNDS:										
Debt Service Fund			\$6,580.08						6,580.08	6,580.08
HUD Annual Contributions Receivable			231,584.44						231,584.44	231,584.44
Total Debt Service Funds	0.00	0.00	238,164.52	0.00	0.00	0.00	0.00	0.00	238,164.52	238,164.52
FIXED ASSETS:										
Land, Structures, & Equipment				\$1,075,451.88		\$8,621,200.60			8,621,200.60	8,235,805.49
CIAP				1,075,451.88					1,075,451.88	630,859.63
Total Fixed Assets	0.00	0.00	0.00	2,150,903.76	0.00	8,621,200.60	0.00	0.00	9,696,652.48	8,866,665.12
OTHER DEBITS:										
Amount to be Provided for Retirement of General Long Term Debt								\$2,433,560.14	2,433,560.14	2,590,118.08
Total Other Debits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,433,560.14	2,433,560.14	2,590,118.08
TOTAL ASSETS AND OTHER DEBITS	\$412,655.74	\$0.00	\$238,164.52	\$1,075,451.88	\$20,941.00	\$8,621,200.60	\$2,433,560.14	\$12,801,973.88	\$12,801,973.88	\$12,179,909.66

**HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
COMBINED BALANCE SHEET AND FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997**

Liabilities, Fund Equity, & Other Credits	Governmental Fund Types				Fiduciary Fund Types		Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects	Agency and Expendable Trust	General Fixed Assets	General Long-Term Debt	1998		1997	
								[Memorandum Only]		[Memorandum Only]	
ACCOUNTS PAYABLE:											
Tenant Security Deposits	\$1,597.47				\$20,941.00			\$20,941.00	\$20,809.00		
P/R Tax Withheld	1,597.47	0.00	0.00	0.00	20,941.00	0.00	0.00	1,597.47	1,668.13		
Total Accounts Payable								22,538.47	22,477.13		
ACCRUED LIABILITIES:											
Payments in Lieu of Taxes	13,003.42							13,003.42	12,599.47		
Total Accrued Liabilities	13,003.42	0.00	0.00	0.00	0.00	0.00	0.00	13,003.42	12,599.47		
DEFERRED CREDITS:											
Prepaid Contribution	489.00							489.00	104.12		
Other Deferred Credits	489.00	0.00	0.00	0.00	0.00	0.00	0.00	489.00	104.12		
Total Deferred Credits	489.00	0.00	0.00	0.00	0.00	0.00	0.00	489.00	104.12		
FIXED LIABILITIES:											
Permanent Notes Payable - HUD								\$860,982.87	860,982.87		
Notes Payable - FFB								4,406,173.00	4,406,173.00		
Bonds Issued								(2,833,595.73)	(2,677,037.79)		
Bonds Retired								2,433,560.14	2,590,118.08		
Total Fixed Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,433,560.14	2,590,118.08		
TOTAL LIABILITIES	15,089.89	0.00	0.00	0.00	20,941.00	0.00	0.00	2,469,591.03	2,625,298.80		

**HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
COMBINED BALANCE SHEET AND FUND TYPES AND ACCOUNT GROUPS
AS OF JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997**

Liabilities, Fund Equity, & Other Credits	Governmental Fund Types				Fiduciary Fund Types		Account Groups			Totals [Memorandum Only]	
	General	Special Revenue	Debt Service	Capital Projects	Agency and Expendable Trust		General Fixed Assets	General Long-Term Debt	1998	1997	
FUND EQUITY:											
Operating Reserve	\$360,710.59								\$360,710.59	\$330,608.59	
Investments in Fixed Assets			\$238,164.52	\$1,075,481.88			\$8,621,200.60		9,696,662.48	8,866,665.12	
Reserve for Debt Service									238,164.52	238,164.52	
Excess Advances - CIAP	29,829.95								29,829.95	112,147.32	
Excess Advances - PHDEP											
Cumulative Donations	7,025.31								7,025.31	7,025.31	
<i>Total Fund Equity</i>	<u>397,565.85</u>	<u>0.00</u>	<u>238,164.52</u>	<u>1,075,481.88</u>	<u>0.00</u>	<u>0.00</u>	<u>8,621,200.60</u>	<u>0.00</u>	<u>10,332,412.85</u>	<u>9,554,610.86</u>	
OTHER CREDITS:											
Other Credits	(783.49)								(783.49)	(783.49)	
<i>Total Other Credits</i>	<u>(783.49)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(783.49)</u>	<u>(783.49)</u>	
TOTAL FUND EQUITY & OTHER CREDITS	<u>396,782.36</u>	<u>0.00</u>	<u>238,164.52</u>	<u>1,075,481.88</u>	<u>0.00</u>	<u>0.00</u>	<u>8,621,200.60</u>	<u>0.00</u>	<u>10,331,629.36</u>	<u>9,553,827.37</u>	
TOTAL LIABILITIES, FUND EQUITY, & OTHER CREDITS	<u>\$411,872.25</u>	<u>\$0.00</u>	<u>\$238,164.52</u>	<u>\$1,075,481.88</u>	<u>\$20,941.00</u>	<u>\$8,621,200.60</u>	<u>\$2,433,560.14</u>	<u>\$12,801,220.39</u>	<u>\$12,179,126.17</u>		

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

Revenue	Governmental Fund Types				Fiduciary Fund Types	Totals	
	General	Special Revenue	Debt Service	Capital Projects		1998	1997
RENTAL INCOME:							
Dwelling Rent	\$503,194.00					\$503,194.00	\$483,083.00
Excess Utilities							
Total Rental Income	503,194.00	0.00	0.00	0.00	0.00	503,194.00	483,083.00
NON-RENTAL INCOME:							
Interest on General Funds	11,034.00					11,034.00	10,715.00
Other	12,490.00					12,490.00	27,460.00
Total Non-rental Income	23,524.00	0.00	0.00	0.00	0.00	23,524.00	38,175.00
OTHER INCOME:							
Federal Sources							
Grants - CIAP				\$805,327.25		805,327.25	578,450.98
Grants - PHDEP							
Annual Contributions							
Operating Subsidies							
Total Other Sources	0.00	0.00	0.00	805,327.25	0.00	805,327.25	578,450.98
TOTAL REVENUE	526,718.00	0.00	0.00	805,327.25	0.00	1,332,045.25	1,099,708.98

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

Expenditures	Governmental Fund Types				Fiduciary Fund Types	Totals	
	General	Special Revenue	Debt Service	Capital Projects		1998	1997
ADMINISTRATIVE:							
Administrative Salaries	\$85,767.00					\$85,767.00	\$82,479.00
Travel	3,575.00					3,575.00	5,113.00
Accounting and Audit Costs	27,078.00					27,078.00	22,318.00
Sundry	43,725.00					43,725.00	40,770.00
Total Administrative	160,145.00	0.00	0.00	0.00	0.00	160,145.00	150,680.00
TENANT SERVICES:							
Salaries - Tenant Services	900.00					900.00	900.00
Recreation, Publications, etc.							
Travel - Tenant Service Coordinator							
Total Tenant Services	900.00	0.00	0.00	0.00	0.00	900.00	900.00
UTILITIES:							
Water	31,577.00					31,577.00	30,471.00
Electricity	6,635.00					6,635.00	4,213.00
Gas	89,216.00					89,216.00	100,442.00
Labor	63,253.00					63,253.00	
Other Utilities Expense	58,634.00					58,634.00	61,402.00
Total Utilities	249,315.00	0.00	0.00	0.00	0.00	249,315.00	196,528.00
ORDINARY MAINTENANCE:							
Labor	97,739.00					97,739.00	89,594.00
Materials	57,197.00					57,197.00	54,034.00
Contract Costs	19,567.00					19,567.00	19,323.00
Total Ordinary Maintenance	174,503.00	0.00	0.00	0.00	0.00	174,503.00	162,951.00

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

Expenditures (cont.)	Governmental Fund Types				Fiduciary Fund Types	Totals	
	General	Special Revenue	Debt Service	Capital Projects		1998	1997
GENERAL:							
Insurance	\$60,436.00					\$59,188.00	
Payment in Lieu of Taxes	13,003.00					12,599.00	
Terminal Leave Payments							
Employee Benefit Contributions	34,480.00					38,789.00	
Collection Losses	2,663.00					22,898.00	
Other General Expenses							
Total General	110,582.00	0.00	0.00	0.00	0.00	133,474.00	
NON-ROUTINE ITEMS:							
Non-routine Maintenance							
Total Non-routine Items	0.00	0.00	0.00	0.00	0.00	0.00	
OTHER EXPENDITURES:							
Debt Service							
Principal							
Interest							
PHDEP program							
Total Other Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	
SUBTOTAL EXPENDITURES	695,445.00	0.00	0.00	0.00	0.00	644,533.00	

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

	Governmental Fund Types				Fiduciary Fund Types	Totals	
	Other Credits / Charges	General	Special Revenue	Debt Service		Capital Projects	Expendable Trust
SURPLUS CREDITS / CHARGES:							
Prior Year Adjustments		0.00					
Total Surplus Credits / Charges		0.00	0.00	0.00	0.00	0.00	(2,643.00)
CAPITAL OUTLAY:							
Modernization					887,601.25		
Replacement of Non-expendable Equipment		17,485.00					543,125.57
Property Betterment and Additions							19,734.00
Total Capital Outlay		17,485.00	0.00	0.00	887,601.25	0.00	562,859.57
TOTAL EXPENDITURES		712,930.00	0.00	0.00	887,601.25	0.00	1,204,749.57
Excess of Revenues Over (Under) Expenditures		(186,212.00)	0.00	0.00	(82,274.00)	0.00	(105,040.59)
OTHER FINANCING SOURCES:							
Rental Assistance Subsidy		157,630.00					
Total Other Financing Sources		157,630.00	0.00	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources Over (Under) Expenditures		(\$28,582.00)	\$0.00	\$0.00	(\$82,274.00)	\$0.00	(\$105,040.59)

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

Schedule C

Revenue	General Fund					Special Revenue Fund					1997	
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis	Budget	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis	Actual GAAP Basis
RENTAL INCOME:												
Dwelling Rent	\$497,480.00	\$503,197.00		\$503,197.00	\$5,717.00	\$483,083.00						
Excess Utilities	497,480.00	503,197.00	0.00	503,197.00	5,717.00	483,083.00		0.00	0.00			0.00
Total Rental Income												
NON-RENTAL INCOME:												
Interest on General Funds	18,380.00	11,034.00		11,034.00	(7,346.00)	10,715.00						
Other	20,000.00	12,490.00		12,490.00	(7,510.00)	27,460.00						
Total Non-rental Income	38,380.00	23,524.00	0.00	23,524.00	(14,856.00)	38,175.00		0.00	0.00			0.00
OTHER INCOME:												
Intergovernmental	0.00	0.00	0.00	0.00		0.00				805,327.25		0.00
Total Other Income										805,327.25		
TOTAL REVENUE	\$535,860.00	\$526,721.00	\$0.00	\$526,721.00	(\$9,139.00)	\$521,258.00	\$0.00	\$0.00	\$0.00	\$805,327.25	\$0.00	\$0.00

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

Expenditures	General Fund - 1998				Special Revenue Fund - 1998				1997			
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis
ADMINISTRATIVE:												
Administrative Salaries	\$87,500.00	\$85,767.00		\$85,767.00	\$1,733.00	\$82,479.00						
Travel	9,500.00	3,575.00		3,575.00	5,925.00	5,113.00						
Accounting and Audit Costs	24,500.00	27,078.00		27,078.00	(2,578.00)	22,318.00						
Sundry	37,800.00	43,725.00		43,725.00	(5,925.00)	40,770.00						
Total Administrative	159,300.00	160,145.00	0.00	160,145.00	(845.00)	150,680.00	0.00	0.00	0.00	0.00	0.00	0.00
TENANT SERVICES:												
Salaries - Tenant Services	1,500.00	900.00		900.00	600.00	900.00						
Recreation, Publications, etc.												
Travel - Tenant Service Coordinator												
Total Tenant Services	1,500.00	900.00	0.00	900.00	600.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
UTILITIES:												
Water	28,730.00	31,577.00		31,577.00	(2,847.00)	30,471.00						
Electricity	3,720.00	6,635.00		6,635.00	(2,915.00)	4,213.00						
Gas	90,160.00	89,216.00		89,216.00	944.00	100,442.00						
Labor												
Other Utilities Expense	60,250.00	63,253.00		63,253.00	(3,003.00)	61,402.00						
Total Utilities	182,860.00	190,681.00	0.00	190,681.00	(7,821.00)	196,528.00	0.00	0.00	0.00	0.00	0.00	0.00
ORDINARY MAINTENANCE:												
Labor	130,530.00	97,739.00		97,739.00	32,791.00	89,594.00						
Materials	57,000.00	57,197.00		57,197.00	(197.00)	54,034.00						
Contract Costs	19,500.00	19,567.00		19,567.00	(67.00)	19,323.00						
Total Ordinary Maintenance	207,030.00	174,503.00	0.00	174,503.00	32,527.00	162,951.00	0.00	0.00	0.00	0.00	0.00	0.00

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

Expenditures (cont.)	General Fund				Special Revenue Fund				1997		
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis	Budget	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis
GENERAL:											
Insurance	\$70,000.00	\$60,436.00		\$60,436.00	\$9,564.00	\$59,188.00					
Payment in Lieu of Taxes	12,600.00	13,003.00		13,003.00	(403.00)	12,599.00					
Terminal Leave Payments											
Employee Benefit Contributions	50,150.00	34,480.00		34,480.00	15,670.00	38,789.00					
Collection Losses	20,500.00	2,663.00		2,663.00	17,837.00	22,898.00					
Other General Expenses											
Total General	153,250.00	110,582.00	0.00	110,582.00	42,668.00	133,474.00	0.00	0.00	0.00	0.00	0.00
NON-ROUTINE ITEMS:											
Non-routine Maintenance											
Total Non-routine Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUBTOTAL EXPENDITURES	703,940.00	636,811.00	0.00	636,811.00	67,129.00	644,533.00	0.00	0.00	0.00	0.00	0.00

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
 BUDGET (GAAP Basis) & ACTUAL - GENERAL & SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1998 WITH COMPARATIVE TOTALS FOR 1997

	General Fund						Special Revenue Fund						1997	
	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual GAAP Basis	Budget	Actual GAAP Basis	Adjustments Budget Basis	Actual- Budget Basis	Variance- Favorable [Unfavorable]	Actual Budget Basis	Actual GAAP Basis	1997
Other Credits / Charges														
SURPLUS CREDITS / CHARGES:														
Prior Year Adjustments	0.00	0.00	0.00	0.00	0.00	(2,643.00)								
Total Surplus Credits / Charges	0.00	0.00	0.00	0.00	0.00	(2,643.00)								0.00
CAPITAL OUTLAY:														
Replacement of Equipment	\$21,550.00	0.00	0.00	0.00	\$21,550.00	19,734.00								\$543,125.57
Property Betterments & Additions														543,125.57
Total Capital Outlay	21,550.00	0.00	0.00	0.00	21,550.00	19,734.00								
OTHER EXPENDITURES:														
Debt Service														
Principal														
Interest														
Total Other Expenditures	0.00	0.00	0.00	0.00	0.00	0.00								0.00
TOTAL EXPENDITURES	725,490.00	636,811.00	0.00	636,811.00	88,679.00	661,624.00	0.00	0.00	887,601.25	0.00	0.00	0.00	0.00	543,125.57
Excess of Revenues Over (Under) Expenditures	(189,630.00)	(110,090.00)	0.00	(110,090.00)	79,540.00	(140,366.00)	0.00	(82,274.00)	0.00	0.00	0.00	0.00	0.00	(543,125.57)
OTHER FINANCING SOURCES:														
Rental Assistance Subsidy	157,680.00	0.00	0.00	0.00	157,680.00	157,680.00								0.00
Total Other Financing Sources	157,680.00	0.00	0.00	0.00	157,680.00	157,680.00								0.00
Excess of Revenues and Other Sources Over (Under) Expenditures	(\$31,950.00)	(\$110,090.00)	\$0.00	(\$110,090.00)	\$237,220.00	\$17,314.00	\$0.00	(\$82,274.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$543,125.57)

**HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 1998

INTRODUCTION

The Housing Authority of the City of Westwego (authority) was created pursuant to the U.S. Housing Act of 1937 to engage in the acquisition, development, and administration of a low income housing program to provide safe, sanitary, and affordable housing to the citizens of Westwego, Louisiana. The Housing Authority must comply with Louisiana State reporting laws (LSA - R.S. 24:513 and 24:514) which requires financial statements to be prepared in accordance with generally accepted accounting principles (GAAP).

The authority is administered by a five member board appointed by the Mayor. Members of the board serve staggered-year terms.

Under the United States Housing Act OF 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the authority for the purpose of assisting the authority in financing the acquisition, construction, and leasing of housing units and to make annual contributions (subsidies) to the authority for the purpose of maintaining this low rent character.

At June 30, 1998, the authority manages 300 public housing units. The authority has CIAP and CGP Modernization in progress (disclosed in the Capital Project Fund).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statements (Continued)

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the authority is legally separate and fiscally independent, the authority is a separate governmental reporting entity.

The authority is a related organization of the City of Westwego, Louisiana since the Mayor appoints a voting majority of the authority's governing board. The City of Westwego is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the City of Westwego. Accordingly, the authority is not a component unit of the financial reporting entity of the City of Westwego.

The authority includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the authority.

Certain units of local government over which the authority exercises no oversight responsibility, such as the parish police jury, school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

C. FUND ACCOUNTING

The authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is an financial reporting device designed to provide accountability for certain assets and liabilities that not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the authority are classified into three categories: governmental, proprietary and fiduciary, as applicable. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund types follow:

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statements (Continued)

Governmental Funds

Governmental funds account for all or most of the authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. **General Fund** - the general operating fund of the authority accounts for all financial resources, except those required to be accounted for in other funds. The General Fund includes transactions of the low rent housing assistance programs.
2. **Special revenue funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the various Section 8 Housing Assistance Programs administered by the authority.
3. **Debt service funds** - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. Debt service funds contain current year payments of principal and interest on project notes, federal financing bonds, and bonds payable (if applicable).
4. **Capital projects funds** - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the authority.

The Tenants Security Deposits Agency Fund consists of various tenant security deposit accounts.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statements (Continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Operating subsidies and the annual contributions received from HUD are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the PHA.

Expenditures

Salaries are recorded as expenditures when paid. Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group.

Principal and interest on general long term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

The authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the authority before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the authority has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The authority uses the following budget practices:

1. The authority adopted budgets for the General Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the capital project (Modernization/CIAP) is a multiple year endeavor not requiring an annual expenditure budget.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the authority in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. INVENTORIES

All purchased inventory items are valued at cost. Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased. Housing Authorities of less than 500 units do not record the inventory in the general ledger.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

K. COMPENSATED ABSENCES

The authority has the following policy relating to vacation and sick leave:

The authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the General Long Term Obligations Account Group. Leave benefits are based on accrued leave benefits or employees with ten (10) years service to a maximum of 25 days at their current annual salary.

L. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

M. FUND EQUITY
Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

N. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND CASH EQUIVALENTS

At June 30, 1998, the authority has cash and cash equivalents (book balances) as follows::

Demand deposits	\$	150,671.66
Interest-bearing demand deposits		0.00
Money market accounts		0.00
Time deposits		<u>232,922.05</u>
 Total	\$	<u>383,593.71</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the authority has \$383,593.71 in deposits (collected bank balances). These deposits are secured from risk by \$100,000.00 of federal deposit insurance and \$600,000.00 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the authority that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The receivables at June 30, 1998, are as follows:

General Fund Local Sources:	
Tenants	\$ 4,965.83
Other	<u>0.00</u>
Total	\$ <u>4,965.83</u>

4. FIXED ASSETS

The changes in general fixed assets and capital projects assets are as follows:

<i>Land, Structures, and Equipment</i>	
Balance June 30, 1997	\$ 8,866,665.12
Additions - LS&E	17,485.32
Additions - CIAP	887,601.25
Deletions	<u>(75,099.21)</u>
Balance June 30, 1998	\$ <u>9,696,652.48</u>

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the U.S. Government.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

5. RETIREMENT SYSTEMS

The authority provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six months exclusionary period. The employee contributes up to five percent and the entity contributes seven percent of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested twenty percent annually for each year of participation. An employee is fully vested after five years of participation.

The entity's total payroll in fiscal year ended June 30, 1998 was \$192,154.00. Contributions to the plan were \$ 9,607.21 and \$13,450.79 by the employee and the entity, respectively.

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables at June 30, 1998, are as follows:

	<u>General</u>
	<u>Fund</u>
Withholdings	\$ 1,597.47
HUD	0.00
Tenants Security Deposits	<u>20,941.00</u>
 Total	 <u>\$ 22,538.47</u>

7. COMPENSATED ABSENCES

At June 30, 1998, employees of the authority have accumulated and vested \$ 37,922.89 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long-term obligations account group.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

8. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due other follows:

Agency Funds: Tenants Security Deposits	
Balance, June 30, 1997	\$ 20,809.00
Additions - Net	<u>132.00</u>
Balance June 30, 1998	<u>\$ 20,941.00</u>

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1998:

Long-term Debt:	<u>Interest Rate</u>	<u>Principal Balance</u>
Bond Payable	5.0%	\$ 1,572,577.27
HUD Note Payable		<u>860,982.87</u>
Total Long-term Debt		<u>\$ 2,433,560.14</u>

The notes and bonds mature in series annually in varying amounts. All required debt service to maturity on the bonds, including principal and interest, is payable by HUD under a debt service contract with the entity.

Long-term debt is secured by the land and buildings of the entity.
Change in long-term debt is as follows:

	<u>HUD Note</u>	<u>Bonds</u>
Balance June 30, 1997	\$ 860,982.87	\$ 1,729,135.21
Principal retirement	<u>0.00</u>	<u>156,557.94</u>
Balance June 30, 1998	<u>\$ 860,982.87</u>	<u>\$ 1,572,577.27</u>

HOUSING AUTHORITY OF THE CITY OF WESTWEGO
WESTWEGO, LOUISIANA
Notes to Financial Statement (Continued)

Scheduled retirements of long-term debt is as follows:

1999	\$	199,234.60
2000		194,234.60
2001		209,234.60
2002		219,234.60
Thereafter		750,638.87

All principal and interest requirements are funded in accordance with Federal Law by the annual contributions contract from HUD. At June 30, 1998, the authority has accrued \$231,584.44 in the debt service funds for future debt requirements.

10. INTERFUND ASSETS/LIABILITIES

Interfund receivables/payables at June 30, 1998 are as follows: NONE

11. COMMITMENTS AND CONTINGENCIES

The authority participates in a number of federally assisted grant programs. Although the current grant programs have been audited in accordance with the Single Audit Act of 1994 through June 30, 1998, these programs are still subject to cognizant agency program compliance audits and reviews.

12. GOING CONCERN

The authority receives a major portion of its funding from HUD. While it is unlikely to happen, discontinuation of this funding source would seriously affect the authority's ability to continue operations.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

SCHEDULE OF EXPENDED FEDERAL FINANCIAL AWARDS

JUNE 30, 1998

<u>PROGRAM</u>	<u>CFA NO.</u>	<u>EXPENDITURES</u>
U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT:		
Conventional Public Housing Program		
HUD Operating Subsidy		\$ 157,680.00
HUD Annual Contribution	14.850	<u>231,584.44</u>
Total		389,264.44
Comprehensive Improvement Assistance Program (CIAP)		
	14.852	149,779.01
Comprehensive Grant Program (CGP)		
	14.859	<u>737,822.24</u>
Total Expended Federal Financial Awards		\$ <u>1,276,865.69</u>

**Notes to the Schedule of Expenditures of Federal Awards
for the Year June 30, 1998**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Westwego, Louisiana, and is presented on the *modified accrual basis of accounting*. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the *general-purpose* financial statements.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM (CIAP) ACTIVITY

JUNE 30, 1998

PROJECT: LA48-P011

	<u>908-88</u>	<u>910-91</u>	<u>911-92</u>
Funds Approved	\$ 327,974.00	\$ 724,812.00	\$ 810,438.00
Funds Advanced	(<u>327,974.00</u>)	(<u>724,812.00</u>)	(<u>810,438.00</u>)
Funds Remaining	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Funds Advanced	\$ 327,974.00	\$ 724,812.00	\$ 810,438.00
Funds Expended	(<u>327,974.00</u>)	(<u>724,812.00</u>)	(<u>810,438.00</u>)
Excess (Deficiency)	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Funds Spent, Fiscal Year Ended June 30, 1998	\$ <u>0.00</u>	\$ <u>6,348.34</u>	\$ <u>143,430.67</u>

These expenditures were tested and audited by Tom E. Brewster, CPA, during my audit of the fiscal years ended June 30, 1995, 1997 and 1998. CIAP's 908-88, 910-91, 911-92 were completed with all budgeted funds expended and the Actual Cost Certificates submitted September 23, 1997.

HOUSING AUTHORITY OF THE CITY OF WESTWEGO, LOUISIANA

COMPREHENSIVE GRANT PROGRAM (GCP) ACTIVITY

JUNE 30, 1998

PROJECT: LA48-P011

	<u>701-93</u>	<u>702-94</u>	<u>703-95</u>
Funds Approved	\$ 442,979.00	\$ 464,804.00	\$ 442,139.00
Funds Advanced	(<u>442,979.00</u>)	(<u>464,804.00</u>)	<u>442,139.00</u>
Funds Remaining	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Funds Advanced	\$ 442,979.00	\$ 464,804.00	\$ 442,139.00
Funds Expended	(<u>442,979.00</u>)	(<u>464,804.00</u>)	<u>442,139.00</u>
Excess (Deficiency)	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
Funds Spent, Fiscal Year Ended June 30, 1998	\$ <u>0.00</u>	\$ <u>208,904.00</u>	<u>\$ 434,466.54</u>

These expenditures were tested and audited by Tom E. Brewster, CPA, during my audit of the fiscal years ended June 30, 1995, 1996, 1997 and 1998. CGP 701-93 was closed out with all budgeted funds expended and the Actual Cost Certificates submitted September 30, 1997 CGP-702-94 and 703-95 have all budgeted funds expended but did not have Actual Cost Certificates submitted by June 30, 1998.